

## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

DRAFT

State Agency: PUERTO RICO WIC PROGRAM

for FY 2020

Food delivery and food instrument (FI) (*Food instrument* means a voucher, check, electronic benefits transfer card (EBT), coupon or other document which is used by a participant to obtain supplemental foods) accountability and control involve the production, issuance, redemption, and monitoring of automated and manual food instruments through retail systems and the delivery of WIC Program foods by non-retail methods, i.e., home delivery and direct distribution.

### Retail Food Delivery Systems

- A. Food Instrument Control Overview - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi), and (a)(14)(xii):** describe the policies and procedures used by the State agency in producing, monitoring and accounting for the use of food instruments.
- B. Food Instrument Pick-up and Transaction - 246.4(a)(11)(iii) and (a)(14)(vi):** describe the State agency's procedures for issuing food instruments to participants, including procedures for verification, prorating food packages, training and proxy policies.
- C. Food Instrument Redemption and Disposition - 246.4(a)(14)(vi):** describe the procedures used to reconcile food instruments as either issued or voided, and as either redeemed or unredeemed, and redeemed food instruments as either validly issued, lost/stolen/damaged, expired, duplicate, or not matching issuance records.
- D. Manual Food Instruments - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi) and (a)(14)(ix):** describe the procedures for issuing and accounting for manual food instruments, including the procedures for documentation and disposition.
- E. Special Food Instrument Issuance Accommodations - 246.4(a)(11)(iii), (a)(14)(i), (a)(14)(vi), (a)(14)(ix), (a)(14)(xiv) and (a)(21):** describe alternatives to participant food instrument pick-up for issuance (e.g., mail or electronic issuance) and how the integrity of program services and fiscal accountability is ensured.
- F. Vendor Cost Containment System Certification - 246.4(a)(14)(xv), 246.12(g)(4)(vi):** describe the competitive pricing and reimbursement methods that the State agency will implement to ensure that average payments per food instrument to above-50-percent vendors do not exceed average payments per food instrument to comparable regular vendors.

### Non-Retail Food Delivery Systems

- G. Home Food Delivery Systems - 246.4(a)(11)(iii), 246.4(a)(14)(i), (a)(14)(vi), (a)(14)(vii) and (a)(14)(xii):** describe how the State agency's home delivery system operates including but not limited to the types of authorized home food delivery contractors, the frequency of deliveries, and the procedures for documenting deliveries and ensuring safe food delivery of WIC foods, if applicable.
- H. Direct Distribution Food Delivery Systems - 246.4(a)(11)(iii), (a)(14)(i), and (a)(14)(vi), (a)(14)(vii), and (a)(14)(xii):** describe the methodology and procedures used in the direct distribution of supplemental foods, including types of foods distributed, warehouse and distribution centers, the verification process, and assurance of food safety, as applicable.

### Electronic Benefit Transfer (EBT) Implementation and Management

- I. Electronic Benefit Transfer (EBT): 246.4(a)(1), (a)(14)(xix), (a)(14)(xx), (a)(19), 246.12(h)(3), (w)-(bb):** describe the policies and procedures the State agency is using to implement and operate EBT

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### A. Food Delivery and Food Instrument Control Overview

#### 1. Food Instruments - General

##### a. The State agency uses the following types of FIs (check all that apply):

- Automated-point of certification
- Manual-individual prescription
- Pre-printed manual-standard prescription
- Automated-central generation
- EBT
- Other (specify): Manual FIs and CVVs. Example Special Conditions, Disasters

##### b. The State agency conducts FI inventories (Place an S=[State agency] or L=[Local agency] under the appropriate column to designate primary responsibility):

###### Automated - EBT Cards

Daily/perpetually

Other (Specify):

###### Physical - Paper FIs

L Daily

Weekly

S Monthly

Other (specify):

##### c. The FI contains/allows for the following information (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Not applicable                                    | <input checked="" type="checkbox"/> Local agency identifier       |
| <input checked="" type="checkbox"/> Participant WIC ID number              | <input type="checkbox"/> Vendor/farmer endorsement                |
| <input checked="" type="checkbox"/> Countersignature for participant/proxy | <input checked="" type="checkbox"/> Authorized supplemental foods |
| <input checked="" type="checkbox"/> First date of use                      | <input checked="" type="checkbox"/> Last date of use              |
| <input checked="" type="checkbox"/> Redemption period                      | <input checked="" type="checkbox"/> Serial number                 |
| <input checked="" type="checkbox"/> Purchase price                         | <input checked="" type="checkbox"/> Signature space               |

##### Provide a facsimile or FI in Appendix or cite Procedure Manual:

##### d. The EBT system allows for the following (check all that apply): N/A

- A unique and sequential number benefit issuance identifier
- Each EBT purchase is matched to an authorized vendor, farmer, or farmers' market prior to authorizing payment per 7 CFR 246.12(x)(3)
- System contains authorized supplemental foods
- System contains first and last dates of use for electronic benefits

##### e. The State agency provides a toll-free number for participant/vendor/farmer inquiries on:

- Paper Food Instrument     Cash-value voucher     EBT Card/Sleeve     None

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**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

### 2. Food Instrument Accountability

#### a. FIs are delivered to local agencies by:

- State agency staff  Local agency staff
- US Postal Service
- On-demand printing
- Contracted service (e.g., UPS, Purolator, etc.)
- Other (specify):

#### b. FIs (blank stock and preprinted ready for issuance) are delivered to the local agency (check all that apply):

##### Blank

- Not applicable
- Weekly
- Twice a month
- Once a month
- Once every two months
- Other (specify):

Blank Specify: On request if necessary

Preprinted Specify:

##### Preprinted

- Not applicable
- Weekly
- Twice a month
- Once a month
- Once every two months
- Other (specify):

#### c. The State agency uses the following procedures to ensure that unclaimed FIs are not being used fraudulently (check all that apply):

- Signatures on the documentation of receipt are compared for similarities in writing style implying one person signed for multiple participants
- Local agencies conduct an initial review to void food instruments for participants known to have been terminated from the Program
- Inventories of food instruments are not conducted by the same local agency staff responsible for issuing/voiding food instruments
- Procedures are in place to ensure the proper disposal of unused/duplicate/voided FIs
- Other (specify): P & P 5.28 Procedure to void unused check paper, FIs and CVVs

effective June, 2017

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation): P & P 5.29 The Security Management of Blank Checks Paper Used for WIC FIs and CVVs and P & P 5.28 Procedure to Void Unused Check Paper, FIs and CVVs**

### 3. The State agency has established food delivery procedures in cases of natural disaster and emergencies for the following (check all that apply):

- Manual Issuance  Automated issuance
- Mailing  Home food delivery
- Direct distribution  Other (specify):

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

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### B. Food Instrument Pick-up

#### 1. Food Instrument Pick-Up Policy and Procedures

##### a. Food instruments are issued by (check all that apply):

	All Locals	Most Locals	Some Locals
Local agency director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local agency nutritionist	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local agency paraprofessional	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clerical staff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (specify):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

##### b. The State agency utilizes a participant identification card:

Yes       Yes, with photo       No

If yes, issuance is controlled numerically and each card is accounted for:

Yes       No

##### c. The State agency requires the following proof of receipt when issuing automated food instruments:

- Participant/parent/caretaker/proxy signature block on register confirming receipt
- Carbon copy of food instrument
- Local agency staff initials
- Date of food instrument pick-up
- Stub with participant signature or initials
- Other (specify):

##### d. The State agency has a policy to prorate food packages for the following:

- Late FI pick-up
- Certification due to expire within 30 days
- Mid-month certification
- Other (specify): N/A

##### e. The State agency requires local agency staff to provide each new participant/parent/caretaker/proxy with training in (check all that apply):

- Authorized vendors/farmers
- Selecting WIC-approved foods
- FI transaction procedures
- Signature on FIs
- Use of proxy
- Reporting problems/requesting assistance
- Participant violations (i.e. selling or offering to sell WIC benefits)
- Other (specify):

##### f. The State agency requires local agency staff to provide participants with a list of authorized vendors/farmers/farmers' markets:

Yes       No

##### g. The State agency permits a participant to transact food instruments with any authorized vendor or farmer/farmers' market in the State:

Yes       No

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**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

### 2. The State agency's proxy policy includes the following:

- Limits the number of participants a single proxy may sign for, except that a proxy may pick up FIs for all homeless WIC participants in a facility
- Limits proxy to a specified number of FI pick-ups
- Limits proxy to a minimum age
- Limits proxy assignment to local WIC staff
- Other (specify):

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation): P & P 3.12 Authorized Representative (Proxy) November, 2011**

## C. Food Instrument Redemption and Disposition

### 1. Food Instrument Disposition Procedures

#### a. The State agency system assures 100% disposition of all issued FIs

- Yes       No

If no, specify the circumstances that prevent 100% disposition:

#### b. Local agencies are supplied with a report on the final disposition of its FIs:

Yes (specify period):       No

#### c. The State agency monitors each local agency's:

- Number of manual FIs utilized
- Number of unclaimed FIs
- Number of voided FIs
- Number of redeemed FIs with no issuance record

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

### 2. Unclaimed, Voided, Prorated FIs

#### a. The State agency requires local agencies to return "unclaimed/not picked up" FIs:

- Not applicable       Daily       Weekly       Monthly

Other (specify):

#### b. The State agency requires local agencies to return "voided" FIs:

- Not applicable       Daily       Weekly       Monthly

Other (specify):

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation): P & P 5.28 Procedure to Void Unused Check Paper, FIs and CVVs**

### 3. Lost/Stolen/Damaged Food Instruments

#### a. The State agency requires local agencies to report lost/stolen/damaged FIs to (check all that apply):

- State agency       Police department       State agency's banking institution

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EBT Coordinator

Other (specify): PR WIC Program will not replace the participant FIs and CVVs reported stolen or lost. Please Refer to P&P 5.27 Lost or Stolen FIs and CVVs Effective Date: April/2018

### b. Replacement/duplicate FIs Issuance

#### (1) Replacement/duplicate FIs are issued when FIs are reported lost:

No

Depends on the circumstances

Yes (If FIs are reissued, it is done):

Immediately

Following notification of State agency/bank agency

After a            day waiting period (specify number of days)

#### (2) Replacement/duplicate FIs are issued when FIs are reported stolen:

No

Depends on the circumstances

Yes (If FIs are reissued, it is done):

Immediately

Following notification of State agency/bank agency

After a            day waiting period (specify number of days)

#### (3) Replacement/duplicate FIs are issued when FIs are reported damaged:

No

Depends on the circumstances

Yes (If FIs are reissued, it is done):

Immediately

Following notification of State agency/bank agency

After a            day waiting period (specify number of days)

Other (specify):

### c. Is a police report required before replacement benefits are issued when reported stolen?

Yes

No Please refer to P & P 5.27 Lost or Stolen FIs and CVVs

### d. The State agency or its banking institution takes the following action after it is notified by the local agency of lost/stolen/damaged FIs (check all that apply):

Stops payment on the lost/stolen/damaged FIs

Notifies vendor or farmer

Other (specify): Please refer to P & P 5.27 Lost or Stolen FIs and CVVs

**Please provide a copy/citation of the State agency's policy and procedures that ensure that lost/stolen FIs cannot be redeemed OR lost/stolen/damaged EBT cards will be replaced and associated benefits transferred (7 CFR 246.4(a)(14)(xix)).**

**Please refer to P & P 5.27 Lost or Stolen FIs and CVVs Effective Date: April/2018**

### e. The local agency documents in the participant's file that replacement FIs were issued:

Yes In case damaged.  No

### f. If it is established that lost/stolen/damaged FIs are transacted by the participant who reported them lost/

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stolen/damaged, the following actions are taken:

- A claim for cash repayment is issued to participant
- Participant is disqualified; specify the period of time:
- Participant receives a warning
- Other (specify): Please refer to P & P 5.27 Lost or Stolen FIs and CVVs Effective Date: April/2018

**g. If lost/stolen/damaged FIs are transacted by someone other than the participant, the following actions are taken, check all that apply:**

- Reported to police for investigation
- State agency or local agency does an investigation
- State agency or local agency notifies the participant
- Other (specify): Please refer to P & P 5.27 Lost or Stolen FIs and CVVs Effective Date: April/2018

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation): Please refer to P & P 5.27 Lost or Stolen FIs and CVVs Effective Date: April/2018**

**h. The State agency monitors the level of reported lost/stolen/damaged FIs by local agency:**

- Yes       No

**4. Food Instrument Redemption Screening (7 CFR 246.12(k)(1))**

**a. Describe in detail how the State agency sets maximum allowable reimbursement levels for payment of food instruments (including whether the State agency uses vendors' shelf prices to set maximum reimbursement levels and how reimbursement levels are linked to competitive price criteria). If the State agency sets maximum allowable reimbursement levels differently for above-50-percent vendors and regular vendors, please explain the different methods used.**

**P & P 6.19 Cost Containment Methodology**

**(1) The State agency establishes maximum allowable reimbursement levels for:**

- |  |   |  |
|--|---|--|
| <b>(a) Each peer group</b>                       | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| <b>(b) Each food instrument or food category</b> | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| <b>(c) Other (please specify):</b>               | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |

**(2) The State agency establishes maximum allowable reimbursement levels using:**

- (a) Standard deviations**       Yes       No

**If yes, specify the standard deviation number and explain how the State agency determined the standard deviation it used is appropriate: P & P 6.19 Cost Containment Methodology(b)**

- (b) A percentage above the average redemption amount**       Yes       No

**If yes, specify the percentage and explain how the State agency determined that this percentage is appropriate.**

**P & P 6.19 Cost Containment Methodology**

- (c) Other (please specify):**       Yes       No

**(3) The maximum allowable reimbursement levels include a factor to reflect:**

Yes       No      Wholesale price fluctuations; explain: The competitive price for exempt formula is the manufacturer's highest sales price plus 20%.

Yes       No      Inflation: explain:

Yes       No      Other (please specify): The Competitive Price of each food item in each peer group is the average price of all Regular Vendors in the peer group, excluded outliers, plus 15%.

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**b. The State agency screens FI through a pre-edit (before payment) or post-edit (after payment) process to detect the following:**

Not Applicable	Pre-Edit Screen	Post-Edit Screen	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Purchase price exceeds price limitations (FI only)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Purchase price missing
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Altered purchase price
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Vendor/farmer identification missing
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Invalid/counterfeit vendor/farmer identification
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Transacted before specified period
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Transacted after specified period
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Redeemed after specified period
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Altered dates
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Missing signature
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mismatched signature
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Altered signature
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other (specify):

**c. When the payment amount on a food instrument exceeds the maximum allowable reimbursement amount, what action does the State agency take?**

- Reimburses the vendor for amounts up to the maximum allowable reimbursement amount
- Reimburses the vendor at the peer group average
- Rejects the food instrument, but allow the vendor to resubmit
- Rejects the food instrument without allowing the vendor to resubmit
- Other (please specify):

**d. Where pre-edit screens are used, the proportion of FIs reviewed includes:**

- All FIs                       Percentage of FI (            %)
- Other (please specify):

**e. The edit system(s) that use(s) maximum allowable reimbursement levels to screen for vendor overcharges rejects food instruments based on:**

Pre-Edit	Post-Edit	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not To Exceed or Maximum Prices
<input type="checkbox"/>	<input type="checkbox"/>	Percentage above average (            %)
<input type="checkbox"/>	<input type="checkbox"/>	Amount above average (\$            )
<input type="checkbox"/>	<input type="checkbox"/>	Other (specify):

**f. The following actions are used to control against unauthorized stores redeeming FIs:**

- Provide up-to-date list of authorized vendors to participants at certification and/or FI issuance
- Recover vendor/farmer/farmers' market stamp when vendor/farmer/farmers' market is no longer authorized
- Conduct compliance buy to verify if unauthorized store redeems FIs
- State agency or its banking institution checks vendor/farmer/farmers' market ID numbers on food instruments submitted for redemption against the authorized vendor/farmer/farmers' market list before paying vendors/farmers/farmers' markets for FIs submitted for redemption
- Inform all participants who might use the unauthorized store
- Other (specify):

**ADDITIONAL DETAIL: Food Delivery Appendix: and/or Procedure Manual (citation):**

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### 5. Price Lists

**a. Price list information is routinely collected from vendors:**

- Yes     No; Explain: (Proceed to item #6)

**b. Price list data are collected:**

- Real Time or Daily via EBT system     Monthly     Quarterly     Semiannually  
 Other (specify):

**c. Price data are collected by:**

- State agency staff  
 Local agency staff  
 Reports are submitted by vendors  
 EBT system  
 Other (specify):

**d. The data collected has food prices for (check all that apply):**

- All brands and sizes of supplemental foods  
 Highest price supplemental food items within food categories  
 Most commonly redeemed food items; please specify:  
 All authorized vendors  
 A sample of authorized vendors (please describe the sampling method used):  
 Other (specify):

**e. The State agency/local agency verifies price data provided by vendors:**

- During routine monitoring visits  
 Does not verify on a routine basis  
 Other (explain):  
 If the vendor is identified as a high-risk vendor; please explain the method:

**f. The State agency/local agency analyzes price data:**

- Manually on a routine or as needed basis  
 On an Automatic Data Processing system and uses it to:  
     Generate estimated food instrument values  
     Help inform WIC staff on vendor selection decisions  
     Develop vendor peer groups  
     Flag individual food instruments that appear to be overcharges  
     Other (specify):

### 6. System to Detect Suspected Overcharges

**a. Does the State agency screen for suspected overcharges:**

- Yes, vendor claims are issued for overcharges  
 No, the State agency makes price adjustments to food instruments submitted for redemption at amounts above edit limits.  
 No, the State agency does not identify overcharges and/or issue claims for overcharges. (Proceed to section *D. Manual Food Instruments*.)  
 Other (specify): Refer to P & P 6.22 Vendors' Overcharge Effective Date: March 2019

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**b. The methods used to identify vendor overcharges are:**

- Comparison of vendor's reported prices to charged prices
- Comparison of redemption values of vendor with other vendors in the vendor's peer group
- Comparison of redemption values of vendor with all vendors
- Other (specify):

**c. To receive payment or justify and correct a claim for a price adjustment or vendor overcharge, the vendor must: (Check all that apply)**

- Provide an updated price list
- Provide written justification for the higher prices
- Provide receipts
- Other (specify): Refer to P & P 6.22 Vendors' Overcharge Effective Date: March 2019

**d. What action(s) is/are taken when a vendor overcharge occurs? (Check all that apply)**

- Routine monitoring or remedial vendor training is conducted
- Vendor is designated as high-risk and scheduled for compliance investigation
- Vendor is provided with a written warning of potential sanction for overcharging
- Vendor is terminated for cause
- Vendor is sanctioned
- Other (specify):

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation): P & P 6.22 Vendors Overcharge**

### D. Manual Food Instruments

**DOES NOT APPLY (PROCEED TO NEXT SECTION)**

**1. Manual FIs Policy**

**a. Manual FIs are utilized for the following reasons:**

- New participants
- Automated FIs not available
- Mutilated automated FIs
- Wrong food package on automated FI
- Wrong dollar amount on automated FI
- Provide for the special needs of the homeless
- Food package tailoring
- Routine monitoring visits (i.e., educational buys) of vendors/farmers
- Compliance buys of vendors/farmers
- Special conditions, e.g., disasters
- Other (specify):

**b. The State agency requires the following for completing the manual FI register:**

- Participant/proxy signature
- Local agency staff initials
- Date of FI pick-up
- Other (specify):

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**c. Manual FIs have a "Not to Exceed Value" of:**

- Same dollar amount for all manual food instruments \$
- Variable dollar amount depending on type of prescription on manual FI
- Variable dollar amount depending on participant category on manual FI
- No limit
- Other (specify): The same MARL are applied to manual FIs as to electronic issued FIs.

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

**2. Manual FI Documentation and Disposition**

**a. A report containing the serial numbers of manual FIs issued by local agencies is sent to the State agency:**

- Not applicable       Weekly       Monthly
- Other (specify):

**b. Local agencies are required to provide documentation to substantiate a valid or invalid certification record for manual FIs issued and redeemed but for which no participant record currently exists by utilizing:**

- Turnaround documents to establish valid certification records
- Telephone calls to the State/local agency on irregularities
- Other (specify):

**c. If the manual FI inventories do not achieve 100% reconciliation of all issued and unissued FIs, the local agency (check all that apply):**

- Reports the FI serial numbers to the State agency
- Provides the FI serial numbers to local vendors/farmers
- Other (specify): P & P 5.31 Procedure to Reconcile Food Instruments and Cash Value Vouchers

**(Provide a copy/citation of the State agency's prescribed procedures if the manual FI inventory cannot be reconciled.)**

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

## E. Special FI Issuance Accommodations

**1. Alternative FI Issuance**

**a. The State agency has implemented the following FI issuance policy (check all that apply):**

- All participants are required to pick up FIs at the clinic or local agency, except in unusual circumstances
- Participants/proxies are required to show identification at FI card pick up
- FI cards are routinely mailed to participants except (1) when the participant is scheduled for nutrition education (including breastfeeding promotion and support activities) or a certification appointment and (2) in areas where SNAP benefits are not mailed, as these areas are known to have experienced high mail issuance losses
- Benefits are provided electronically to a location such as a grocery store under certain conditions; thus participants may not always pick up FIs at the clinic
- Other (specify):

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### 2. Mailing Policy/Procedures

a. The State agency provides local agencies with guidelines/procedures for mailing FIs to individual participants:

Yes       No

b. Policy requires participants to pick up FIs whenever certification appointment is due or nutrition education (including breastfeeding promotion and support activities) is scheduled:

Yes       No

c. The State agency has implemented the following policy regarding mailing FIs (check all that apply):

- FIs are sent first class mail \*(first class is considered *regular* mail
- FIs are sent registered mail
- FIs are sent certified mail
- FIs are sent restricted mail
- Return receipt is requested on FIs sent certified mail
- Envelope specifies, "Do not forward, return to sender" or "Do not forward, address correction requested"
- Other (specify): FIs are not mailed.

d. The State agency approves mailing FIs under the following conditions (check all that apply):

	State-Wide	LA with SA Approval	Case by Case
Participant hardship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Travel-related issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Better clinic management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Participant safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Participant convenience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost effectiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(if other, specify): FIs are not mailed.

e. When mailing FIs, documentation of FI issuance is:

- Signed by the participant at the following FI pick-up/visit
- Noted "mailed" and initialed/dated by local agency staff
- Signed and dated by local agency staff after return receipt is received
- Other (specify): FIs are not mailed.

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

3. Participants who receive FIs by mail are sent:

- One month of FIs
- Two months of FIs
- Three months of FIs
- Other (specify): FIs are not mailed.

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

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### F. Vendor Cost Containment System Certification

If the State agency has authorized or plans to authorize any above-50% vendors, FNS must certify the State agency's vendor cost containment system. The State agency that has not yet received FNS certification must submit a request for certification/recertification that contains the following information.

**DOES NOT APPLY (PROCEED TO SECTION G)**

**1. Calculation of new competitive price levels**

Describe how the State agency derived or will derive new competitive price levels for regular vendors, which exclude the prices of above-50-percent vendors.

Please refer to P & P 6.19 Cost Containment Methodology

**2. Maximum allowable reimbursement levels for regular vendors and above-50-percent vendors**

**a. Explain how the State agency will ensure that average payments to above-50-percent vendors do not exceed average payments to comparable regular vendors.**

Please refer to P & P 6.19 Cost Containment Methodology

**b. The State agency plans to exempt above-50-percent vendors from the calculated competitive price criteria and maximum allowable reimbursement levels.**

Yes       No If yes, how many vendors will be exempted? Vendors classified as above 50% in Vieques and Culebra.

**Are these vendors needed to ensure participant access to supplemental foods?**

Yes       No

**c. The State agency applies peer-group-specific maximum allowable reimbursement levels to food instruments during the food instrument redemption process.**

Yes       No If yes, describe the procedure or process used:

Please refer to P & P 6.19 Cost Containment Methodology

**3. Describe the State agency's methodology for grouping above-50-percent vendors in its peer group system (i.e., separately or in peer groups with regular vendors) and the criteria the State agency uses to identify comparable vendors for each group of above-50-percent vendors.**

Please refer to P & P 6.19 Cost Containment Methodology

**4. The State agency plans to exempt *non-profit* above-50-percent vendors from competitive price criteria and maximum allowable reimbursement levels.**

Yes       No If yes, provide the following information in detail:

**a. Describe the reason the State agency has decided to exempt such vendors (i.e., the benefits to the program) and the number of non-profit vendors to be exempted.**

N/A

**b. Describe the reason the non-profit above-50-percent vendors are needed to ensure participant access to supplemental foods.**

N/A

**c. Does the State agency collect shelf prices from non-profit vendors?**

Yes       No

**d. Describe how the prices of the non-profit vendors compare to those of other vendors in their geographic area that are subject to competitive price criteria and allowable reimbursement levels.**

N/A

## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

- e. Describe how the State agency establishes the level of reimbursement for the non-profit above-50-percent vendors that it has exempted.

N/A

5. The State agency has fully implemented the competitive price criteria and maximum allowable reimbursement methodologies described in items 1 and 2 above.

Yes       No

If the State agency has not fully implemented the revised competitive price and maximum allowable reimbursement methodologies, describe the current status of this effort and include the timetable for achieving full implementation. Please refer to P & P 6.19 Cost Containment Methodology

6. The State agency plans to exempt *pharmacy* vendors from competitive price criteria and maximum allowable reimbursement levels.

Yes       No

If yes, the State agency has confirmed that these pharmacies provide **only** exempt infant formula and/or WIC-eligible nutritional foods to program participants.

7. Does the State agency collect shelf prices from pharmacies that provide only exempt infant formula?

Yes       No

8. Complete the table on the following page to demonstrate that the State agency's procedure for establishing and implementing competitive price criteria and maximum allowable reimbursement levels ensures that average payments per food instrument or food item to above-50% vendors do not exceed average payments to regular vendors.

9. Please attach and cite of a copy of the report(s) that the State agency will use to monitor average payments per food instrument to above-50% vendors and regular vendors. If the State agency does not have such a report, describe the State agency's plans to develop and implement a report(s) for monitoring purposes, including the report contents or fields.

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Table 1. Data for WIC Vendor Cost Containment Certification – Overview

Please provide the following information on the regular vendors and the above-50-percent vendors authorized by the State agency as of June 30th. If data are not available through June 30th, the State agency should enter data for the period for which data are available, replacing “June” with the month to which the data are applicable.

1. How many authorized regular vendors did the State agency have as of April 30th? (or month of: )	1. 453
2. For all authorized regular vendors, what was the total amount of WIC redemptions paid as of April 30?	2. \$17,093,067.79
3. How many above-50-percent vendors did the State agency have as of April 30th?	3. 253
a. Non-pharmacy above-50-percent vendors	a. 252
▪ Number of <i>WIC-only</i> stores	▪ 0
▪ Number of other types of above-50-percent vendors (excluding pharmacies)	▪ 252
b. Above-50-percent pharmacy vendors	b. 1
c. Total above-50-percent vendors (sum of a and b)	c. 253
4. What was the total amount of redemptions paid to these above-50-percent vendors as of April 30th?	4. \$ 60,702,282.00
a. Non-pharmacy above-50-percent vendors	a. \$60,701,827.96
b. Above-50-percent pharmacy vendors	b. \$ 454.04
c. Total above-50-percent vendors (sum of a and b)	c. \$60,702,282.00
5. How many peer groups of above-50-percent vendors (either separate peer groups or groups with regular vendors) has the State agency identified?	5. 18
6. How many above-50-percent vendors and regular vendors has the State agency authorized that do <u>not</u> meet competitive price criteria, but are needed to ensure participant access to supplemental foods?	6. above-50%: 2 regular vendors: 2

Supplemental WIC State Plan Guidance section IX.I – Vendor Cost Neutrality Assessment will be issued in the spring.

## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

### G. Home Food Delivery Systems

DOES NOT APPLY (PROCEED TO NEXT SECTION)

#### 1. Home Food Delivery Systems Overview

##### a. Home delivery vendors include (check all that apply):

- Dairies
- Private delivery service doing WIC business only
- Private delivery service
- Other (specify):

##### b. Participants who receive home food delivery:

- Are notified in writing of the types and quantities of foods
- Are issued FIs that they sign and provide to the vendor when the food is delivered
- Are delivered not more than a one-month supply of supplemental foods at any one time
- Indicate by authorized signature on a FI, receipt or signature document, the supplemental foods received
- Other (specify):

##### c. Supplemental foods may be delivered:

- Only to the participant of record
- To the participant of record or proxy of record
- To any adult at home during time of delivery
- To anyone at home at the time of delivery
- Other (specify):

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

#### 2. Documentation

##### a. The forms verifying delivery are reconciled against vendor invoices:

- Weekly
- Monthly reconciliation of the signed FIs or other signed receipts or signature documents from participant or proxies.
- Other (specify):

##### b. Signatures of participants who sign the food receipt document/FIs are compared to the signature on file.

- No       Yes, sample       Yes 100%

**ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):**

### H. Direct Distribution Food Delivery Systems

DOES NOT APPLY

#### 1. Direct Distribution Food Delivery - General

##### a. The State agency uses a direct distribution food delivery system to:

- Distribute all of its WIC Program foods
- Distribute only exempt infant formula and/or medical foods
- Distribute (specify):

## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

### b. The State agency uses:

- Warehouse not used
- One central warehouse, deliveries directly to local agencies
- One central warehouse from which foods are sent to one or more subsidiary warehouses before delivery to local agencies
- Other (specify):

### c. Warehouses are operated by:

- State agency
- Local agency
- Other state or public agency
- Under contract with a private business
- Other (specify):

### d. Warehouses used for storage of WIC foods are also used to store other FNS program commodities (Please specify which commodities):

- Yes
- No Specify commodities:

### ADDITIONAL DETAIL: Food Delivery Appendix and/or Procedure Manual (citation):

## 2. Food Distribution

### a. Foods are distributed to participants:

- Grocery store fashion
- Pre-packaged
- Other (specify):

### b. Participants receiving food are required to sign:

- A register once for all foods received
- A register/form for each food item received
- Other (specify):

### c. Foods are distributed to participants:

- Monthly
- Not to exceed a one-month supply at any one time to any participant
- Other (specify):

### d. Participants with limited access to facilities used for distribution have available to them:

#### Services provided by:

	<b>Local Agency</b>	<b>Other Sources</b>
Home delivery	<input type="checkbox"/>	<input type="checkbox"/>
Cost-free transportation	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>
(if other, specify):		

### ADDITIONAL DETAIL: Food Delivery Appendix: and/or Procedure Manual (citation):

## IX. FOOD DELIVERY and FOOD INSTRUMENT (FI) ACCOUNTABILITY AND CONTROL

### 3. Warehouse Insurance and Inspections

#### a. Insurance for the warehouse covers (check all that apply):

- Theft       Fire       Infestation       Spoilage  
 Other (specify):

#### b. Warehouses are inspected by a public authority responsible for enforcing:

- Fire safety laws and regulations (specify date and grade of last inspection):  
 Sanitation laws and regulations (specify date and grade of last inspection):  
 Other (specify):

**ADDITIONAL DETAIL: Food Delivery Appendix: and/or Procedure Manual (citation):**

### 4. Monitoring and Inventory Control

Please describe the State agency's methods for ensuring WIC supplemental foods are under proper inventory control (separation of duties for intake and inventory; stock rotation; performance of perpetual and physical inventory duties; reconciliation against issuance records; etc.).

## I. Electronic Benefit Transfer (EBT)

### 1. Is EBT implemented statewide?

- Yes (*Proceed to question 2*)  
 No (*Continue to 1.a.*)

#### a. Does the State agency have an active EBT Project as of July 31, 2016?

- Yes       No

#### b. Does the State agency follow APD requirements for EBT management and reporting?

- Yes       No

#### c. Does the State plan to meet the October 1, 2020 EBT implementation deadline?

- Yes       No

### 2. What is the State agency policy for permitting replacement cards and transfer of balances per 7 CFR 246.12(bb)(2)?

Replacement cards will be unlimited. Participants should wait 48 hours to be replaced.

### 3. What are the State agency procedures for providing customer service during non-business hours for EBT cards per 7 CFR 246.12(bb)(3)?

This procedure has not been determine. During the working sessions for EBT implementation will be determine.

### 4. Does the State agency use the formula for EBT terminal minimum lane coverage in 7 CFR 246.12(z)?

- Yes       No

#### a. If no, please provide the date of the approval of the approved alternative installation formula as required per 7 CFR 246.12(z)(2).

### 5. Does the State agency use the NUPC database?

- Yes       No